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Introduced: 5/3/89
Referred: Transportation

6-1401A

IN THE SENATE

BY FAHRENKAMP

SENATE RESOLUTION NO. 13

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

Relating to support for public transportation in Alaska, for the Rural Transportation Equity Act of 1989, and opposition to reduction of the Urban Mass Transit Administration's 1990 budget proposal.

BE IT RESOLVED BY THE SENATE:

WHEREAS in addition to the transit system found in Alaska's largest city, Anchorage, most of the medium size cities and many rural communities have bus and van lines supported only by state and local resources; and

WHEREAS there is a substantial imbalance in the funding authorized by the Congress for transportation services in urban and rural areas; and

WHEREAS under present law, communities with populations under 50,000 receive less than three percent of the transit funding through the U.S. Department of Transportation; and

WHEREAS the Congress should be concerned about public transportation generally and not only urban transportation; and

WHEREAS in 1989 the Congress offered only \$66,200,000 in mass transit funds to rural America while making more than \$168,000,000 available to Washington, D.C.; and

WHEREAS legislation has been introduced in the Congress that would double the share of Urban Mass Transit Administration (UMTA) Section 18 grants for the construction and operation of public transit systems in communities of fewer than 50,000 people; and

WHEREAS the legislation would also establish a state-administered

block grant program for rural areas and small cities and seek federal subsidies for "essential bus service" on otherwise unprofitable bus routes; and

WHEREAS a doubling of the funds available would still not represent equity to the rural areas because that doubling would involve only six percent of amounts available under UMTA's formula grant budget; and

WHEREAS the Administration has proposed a 50 percent reduction in UMTA's 1990 budget proposal;

BE IT RESOLVED that the Senate supports the Rural Transportation Equity Act of 1989 and the concept that equity requires the rural areas of the Nation to receive a proportionate amount of the funds made available by the Congress for public transportation; and be it

FURTHER RESOLVED that the Senate opposes the Administration's proposal to decrease the amounts available for public transportation.

COPIES of this resolution shall be sent to the Honorable Dan Quayle, Vice-President of the United States and President of the U.S. Senate; the Honorable Jim Wright, Speaker of the U.S. House of Representatives; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: SR 13
PUBLISH DATE: _____

FISCAL NOTE

REQUEST: _____

Revision Date: _____
Title: Relating to the 1989 Rural Transportation Equity Act
Sponsor: _____
Requestor: _____

Agency Affected: None
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING					-0-	

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No fiscal impact to the state.

Prepared by: Terry Otness, Committee Assistant Phone: 465-4921
Division: Senate Transportation Committee Date: 5/6/89
Chairman
Approved by Commissioner: Senator Lloyd Jones Date: 5/6/89
Agency: Senate Transportation Committee

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

_____ of _____

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE May 5, 1989
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE May 6, 1989

5/3/89

Mr. President:

Trsp Committee considered SR 13

support for public transportation in Alaska, for the Rural Transportation Equity Act of 1989, and opposition to reduction of the Urban Mass Transit Administration's 1990 budget proposal

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

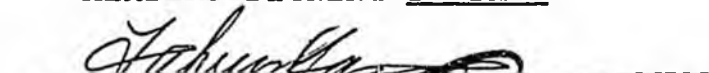

further referral to _____


FISCAL NOTE(S) attached zero
 appropriation no FN attached

fiscal impact
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS



 Carl...
 Pat...


 Chair signature and recommendation

Committee backup attached

Alaska State Legislature
Representative Niilo Koponen

Pouch V
Juneau, Alaska 99811
(907) 465-4992

House District 21

119 N. Cushman, Suite 207
Fairbanks, Alaska 99701
(907) 456-8172

SPONSOR STATEMENT

SR-13 "Relating to support for public transportation in Alaska for the Rural Transportation Equity Act of 1989, and opposition to reduction of the Urban Mass Transit Administration's 1990 budget proposal."

During the past winter the extreme cold weather demonstrated the need for public transportation in many communities in Alaska. Public transportation means continued access to employment and education. Alaska's smaller cities and towns demonstrate the need for public transportation systems is not restricted to large cities. Alaska's future should include a strengthening of public transportation systems and a look to exploring methods whereby public transportation can be used to supplement school transportation systems to save costs through coordination.

For too long, federal attention has been focused on the needs of larger cities for public transportation to the detriment of sparsely settled states like Alaska. Hopefully, the passage of the Rural Transportation Equity Act of 1989 will see that those inequities are redressed.

Alaska received \$169,273 last year in Urban Mass Transit Administration (UMTA) monies for communities of 50,000 or fewer, which was distributed in the following way:

<u>City</u>	<u>Loss Reported</u>	<u>UMTA reimbursement</u>
Juneau	\$1,277,923	\$46,444
Ketchikan	\$ 105,444	\$35,209
Newhalen	\$ 600	\$ 300
Bethel	\$ 20,596	\$10,298
FNSB	\$1,046,420	\$34,705
Wilson & Friend	\$ 33,853	\$16,926

Barrow is also expected to apply this year.

Rural Transit Getting Help?

By Kim Beury

Congresswoman Virginia Smith of Nebraska wants additional federal funding to help rural America, home to more than a third of the nation's population, get moving again after years of dwindling transportation services.

Smith has introduced legislation, known as the Rural Transportation Equity Act of 1989, to correct the imbalance of federal transportation funding between rural and urban areas. Presently, communities with populations under 50,000 receive less than 3 percent of the U.S. Department of Transportation's mass transit funds.

The move would double the share of Urban Mass Transit Administration (UMTA) Section 18 grants for building and operating public transit in communities of fewer than 50,000 people. Also, the legislation would establish a state-administered block grant program for rural areas and small cities, push for federal subsidies to entice commercial bus lines to run unprofitable routes (a program she calls "essential bus service"), and put more transportation representatives from rural areas in federal and state administrative positions.

"Equity is really the key word in the legislation," says David Raphael, executive director of Rural America, a Washington-based organization concerned with rural issues. Though doubling funding will not result in equity (the increase would involve a total of only 6 percent of UMTA's formula grant budget of \$132 million), Raphael says it would have important symbolic significance.

"It serves as a benchmark for recognition of rural public transportation needs," he says. Smith, vice chairman of the House Appropriations Subcommittee on Rural Development, Transportation and Related Agencies, also is pushing to change UMTA's name to the Public Mass Transportation Administration.

"Congress must be concerned about public transportation, not just urban transportation," says Smith, pointing out that in 1989, the federal government offers only \$66.2 million in mass transit funds to rural America as it spends \$168 million on the Washington, D.C., subway system alone.

However, communities of all sizes have more needs for federal transportation aid than a restrained budget can tend to. A Congress overwhelmed by urban members and already facing budget cuts may cancel out the legislation. The Bush administration has proposed a 50 percent decrease in UMTA's 1990 budget proposal. **OPPOSE IN RESOLUTION**

After World War II, when car ownership increased, demand for rural passenger transportation service declined. But through federal regulation, the government required trains, buses, and airplanes to continue to stop for potential off-line passengers, even if rarely any waited. As a result, many rural lines operated at a loss. But during deregulation in 1982, the federal

government allowed commercial passenger carriers to discontinue unprofitable routes.

"For a long time it was just a given, before and after air traffic became so popular, that the intercity bus was the transportation of last resort, and that even if airlines forsake the community, even if the railroad goes somewhere else, we'll always have that passenger bus coming through," says Steven Sprague of the United Bus Owners of America.

However, between deregulation in 1982 and January 1986, more than 4,100 rural points across the nation lost bus service, according to a 1986 Interstate Commerce Commission report. "Too many citizens in our smaller communities have no cars, no buses, no taxicabs and no choice but to stay at home," says Smith, who believes her idea for an essential bus service could "get buses moving again between our towns."

Sprague says an essential bus service package would combine the efforts and the interests of free enterprise. "Obviously, a private bus company shouldn't be asked to go anywhere and lose money," he says. "By the same token, communities need bus transportation."

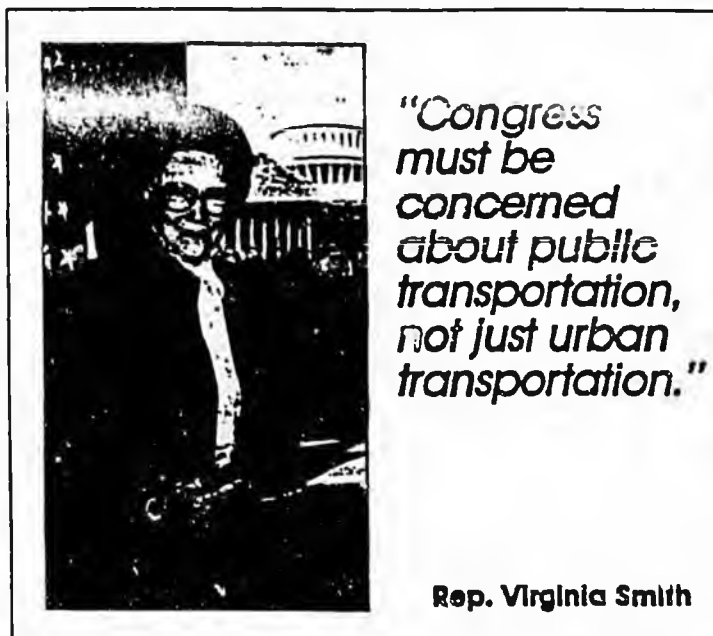
Smith suggests that federal assistance from the mass transit fund could be used to offer special tax credits that help failing bus systems keep rural routes and stay in business, issuing vouchers for rural passengers needing financial assistance, and using school buses as public buses.

Raphael notes that the legislation is the first such bill to focus solely on rural transportation. "Traditionally, rural transportation

topics have been addressed by being attached to a bill drafted around urban mass transit interests. Congress would let rural members add a section to the legislation, usually small and insignificant. But this bill is a signal that the way of doing business has to change."

Smith's bill begins its legislative journey in the House Public Works and Transportation Committee. Problems for a rural transit bill in a Congress where rural members are a minority can be expected, but Smith says she is confident that "rural members will join in a campaign to bring transportation in our countryside up to speed."

"As a matter of equity, our case is clear. And an investment in rural transportation makes infinite sense. It's a commitment to economic development in rural America, and it's a commitment to quality of life for millions of rural Americans." □



"Congress must be concerned about public transportation, not just urban transportation."

Rep. Virginia Smith

Kim Beury is the Washington correspondent for American City & County.